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LIST OF AUTHORITIES

Cases Cited

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1961

No. 235

EDWARD VALVES, INC., AND
ROCKWELL MANUFACTURING COMPANY,
Petitioners,

v.

CAMERON IRON WORKS, INC.,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

PETITIONERS' REPLY TO BRIEF FOR RESPONDENT

I. The Origin of the "Findings"

Respondent's brief admits that the "Findings" were in fact written by Respondent's counsel, after the District Judge had announced his decision, and that such "Findings" were thereafter adopted verbatim by the District Judge (Br. p. 2). This, we respectfully submit, was an improper delegation of the judicial function placed upon the District Judge by Rule 52(a), sufficient in itself to discredit the "Findings", *Chicopee Manufacturing Corp.* v. *Kendall Company*, 288 F. 2d 719 (4 Cir., 1961), even if there were no inconsistency between the "Findings" and the reasons given by the District Judge for his decision.

Respondent suggests (*id*) that Petitioners could have submitted proposed findings of their own, and that they could have objected to Respondent's "Findings". However, it is *obvious that either act would have been futile. The Judge* had made his decision in favor of Respondent "on all issues" (R. 723), and had asked Respondent's counsel to prepare the "Findings". As evidenced by his summary disposition of Petitioners' objection to the holding of wilful infringement (R. 722), the Judge was clearly not interested in any further suggestions or objections from Petitioners.

II. Accuracy of the "Questions Presented"

Respondent challenges the accuracy of the "Questions Presented" (Br. p. 3) in the Petition on two grounds:

(a) Respondent claims that the "Findings" are **not** inconsistent with the reasons previously given by the District Judge for deciding the case in favor of Respondent;

(b) Respondent asserts that "it has not been necessary to stretch the claims, as the petition implies", in order to find infringement.

These assertions are answered below, in the order stated:

(a) Inconsistency

In answer to our charge that the "Findings" on the validity issue are inconsistent with the reasons given by the District Judge for his holding, Respondent suggests (Br. p. 4) that the Judge rejected Petitioners' prior art because he thought it was substantially identical to that in the Stekoll case.* Not one of the prior patents relied on by Petitioners was before the courts in Stekoll. Moreover, Petitioners' prior art included two patents (Walton and Greve) disclosing the very form of "lip-type seal" disclosed and claimed in the

* We find no support anywhere in the record for Respondent's suggestion.

patent in suit. None of the art in Stekoll disclosed such "lip-type seal". Since this element is at the heart of the patented combination, it is obvious that Petitioners' prior *art differed significantly from that in Stekoll.*

We submit that examination of the record compels the conclusion that, contrary to Respondent's suggestion, the District Judge considered himself bound by Stekoll to hold the patent valid (R. 667, 721). But regardless of his state of mind, the fact remains that the Judge **paid no attention to whatever to any** of the prior art introduced by Petitioners. This is **clearly inconsistent** with the "Findings" drafted by Respondent's counsel, which purported to treat the prior art in detail, emphasizing trivial differences between each item of prior art and the patented combination.

Significantly, Respondent's brief does not dispute Petitioners' contention (Pet. pp. 6-7) that the "Findings" on the **infringement** issue are also inconsistent with the District Judge's reasons.

The inconsistency between Respondent's "Findings" and the reasons given by the District Judge for his decision was recognized by the Court of Appeals in its opinion on the petition for rehearing, where the Court said:

> "We cannot say . . . that there is **so substantial** an inconsistency between the findings and the district court's reasons for its decision as to require reversal of the judgment below." (App. p. 36a—emphasis ours.)

Thus, the issue is not **whether** Respondent's "Findings" and the District Judge's reasons are inconsistent, but whether the inconsistency is **so great** as to require an appellate court, in the interests of justice, to go behind the "Findings". We respectfully submit that it is, particularly when to let the decision stand will further Respondent's attempt to monopolize the resilient-seated mud valve market with its 23-year old Flex-Seal design.

(b) **Stretching The Claims To Cover The Mudwonder**

Respondent argues that the claims are literally infringed and, therefore, that it has not been necessary to stretch them in order to find infringement. We disagree. We think the Court of Appeals disregarded clear limitations in the claims.* However, it is not our purpose at this time to argue about claim language. That can await the review of the record we so earnestly seek. Our concern here is with the fundamental rule of patent law, founded in public policy, that a mere "paper" patent, never commercialized by its owner, must be limited to the invention **actually disclosed therein.** The Court of Appeals failed to apply this rule. Instead, it treated the patent as though it were entitled to a liberal construction (App. p. 16a), and specifically held (App. p. 17a):

> "Since the bounds of the Allen patent are measured by the language of the claims, **not by the specific embodiments illustrated and described in the patent,** absence of the V-shaped groove in the Mudwonder valve does not exempt it from infringement of the Allen patent." (Emphasis ours.)

While this may be an accurate statement of the law as applied to patents which significantly advance the art, it is **not** the rule which is applied to mere "paper" patents. Thus, the Court of Appeals clearly erred in applying the wrong legal principle to the facts of this case.

III. **The Crescent and Chicopee Decisions**

Contrary to Respondent's assertion (Br. p. 5), the decision of this Court in the Crescent case** is **not** determinative

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* E.g., Claim 1 calls for "flexible fluid pressure actuated lips remote from and extending away from said passage". No such structure can be found in the Mudwonder.

** *United States* v. *Crescent Amusement Co.*, 323 U.S. 173 (1944).

of the issue presented by Petitioners' Question 2, i.e., the weight to be accorded "Findings" prepared by counsel and adopted by the District Judge under the circumstances present here. In Crescent, **both sides** had submitted proposed findings **prior** to the decision, and the Judge had adopted those proposed by the plaintiff. This is quite different from what happened here, where the District Judge delegated the job of writing the findings to Respondent's counsel, **after** announcing his decision and stating his reasons therefor. Moreover, in Crescent there was no element of inconsistency between the reasons given by the Judge for his decision and the findings later submitted by counsel and adopted by the Court.

Thus, in holding that "the same test is applied to findings, whether the court prepared them or adopted those submitted by counsel", under the particular facts presented here, the Court of Appeals has gone far beyond Crescent. Moreover, this holding **is** in conflict with *Chicopee Manufacturing Corp.* v. *Kendall Company,* supra. Contrary to Respondent's statement regarding Chicopee (Br. p. 6), the court there **distinguished** Crescent rather than following it, as is apparent from the quotation from Chicopee at p. 7 of Respondent's brief.

IV. Use of the Patent to Eliminate Competition

In answer to our contention that the construction given the patent in suit by the Courts below will have the effect of eliminating competition between Respondent's "Flex-Seal" valve and competitive valves not disclosed or claimed in the patent, Respondent suggests (Br. p. 9) that Petitioners and the rest of the industry can copy the design of Respondent's Flex-Seal — now over twenty years old.

Obviously, a newcomer would not have much success in breaking Respondent's strangle-hold on the mud valve mar-

ket if its product were simply a copy of Respondent's Flex-Seal. Thus Respondent can afford to invite such competition, while using the "paper" patent in suit to eliminate, one by one, those of its competitors who appear on the market with improved resilient-seated mud valves.

Respondent also relies (Br. p. 9) upon Finding 6 (R. 758) to refute Petitioners' contention that Respondent has used the patent in suit to supress competition in resilient-seated mud valves. This finding (which, incidentally, was also written by Respondent's counsel) obviously related to the situation as it existed **prior to and at the time of the trial** — when Petitioners' Mudwonder was competing vigorously with Respondent's Flex-Seal. The decision below (if permitted to stand) will eliminate the Mudwonder. And as stated in the Petition (p. 8), Respondent has already filed suit on this same patent against the Demco "Mud King", **the only other resilient-seated mud valve** on the market. These facts speak for themselves.

V. Conclusion

Contrary to Respondent's assertion (Br. p. 10), the questions presented by the Petition are **not** factual in nature. They are legal questions, involving basic considerations of policy transcending the interests of the parties to this case.

Petitioners are not here seeking "a **third** review of the record", as asserted by Respondent. Because the Court of Appeals accorded full weight to Respondent's "Findings", which had been carefully drafted to mask the Trial Court's errors, there has **never been** a proper appellate review of the record. What we sought below, and what we seek here, is simply to have an appellate court **look behind** Respondent's "Findings" to ascertain whether the correct result was reached, both from Petitioners' standpoint and from that of the public. We respectfully submit that if this is

done, it will be obvious that Respondent's patent, if valid at all, is not infringed by the Mudwonder.

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CERTIFICATE OF SERVICE

I certify that copies of the foregoing Reply were duly served upon Respondent by depositing same in the United States mail, first class postage prepaid, addressed to James B. Simms. Attorney for Respondent, at P. O. Box 6026, Houston 6, Texas, on August ...., 1961.

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GARRETT R. TUCKER, JR.,
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